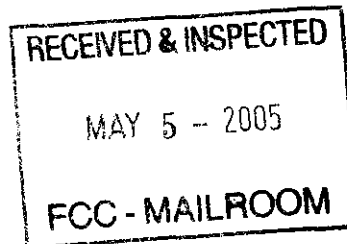


CC: 96-45



360networks Corporation

130 N. Main Street
Billerica, MA 01821

(t) 408.496.6500
(f) 408.496.6585
www.360.net

May 3, 2005

Federal Communications Commission

Office of the Secretary

445 - 12th Street SW

Washington, DC 20554

DOCKET FILE COPY ORIGINAL

Re: Letter of Appeal to FCC

360networks (USA), Inc.

Filer 499 ID: 821352

Since June 2004, 360networks (USA), Inc. has been charged Federal Universal Service Fund late payment fees totaling \$31,019.00. 360networks (USA), Inc. is hereby formally appealing \$17,541.14 of these late payment fees. In the past two months, as required by the Debt Collection Improvement Act of 1996, the Universal Service Administration Company has transferred \$51,048.69 of 360networks' Federal Universal Service Fund balance to the U. S. Department of Treasury for further collection action. 360networks (USA), Inc. is also formally appealing these debt transfers.

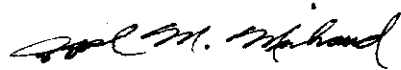
360networks (USA), Inc. is appealing the above actions because these amounts were not true liabilities owed by 360networks to the Universal Service Administration Company. These amounts, seen by the Universal Service Administration Company as 360networks' debts, arose because of misinterpretations made by the Universal Service Administration Company. On December 30, 2004, 360networks was granted a favorable decision from the Universal Service Administration Company on another formal appeal. A copy of this appeal is enclosed. This appeal resulted in July-September 2004 monthly Universal Service Fund assessments being reduced from \$216,150.00 to \$83,591.43 for a monthly difference of \$132,558.57. The Universal Service Administration Company adjusted the account of 360networks (USA), Inc by \$132,558.57 on the January 2005 invoice and by the same amount again in February. However, the final monthly adjustment for the third quarter of 2004 was not reflected on the March 2005 invoice or on any other invoice. 360networks expected to see one more adjustment of \$132,558.57 as a result of this favorable appeal ruling.

Because of its experience with the Universal Service Administration Company and the Universal Service Administration Company's own admission that it often takes several months to resolve credit balances, 360networks (USA), Inc. chose not to strain its cash flow position by overpaying the Universal Service Administration Company invoices. 360networks has prepared the enclosed spreadsheet recalculating late fees by adjusting the amounts owed by the granted appeal amounts.

No. of Copies rec'd _____
List A B C D E

Thank you for your attention to this matter.

Sincerely,

A handwritten signature in cursive script, appearing to read "Joseph M. Michaud".

Joseph M. Michaud
Manager, Taxation
360networks (USA), Inc.
130 North Main Street
Butte, MT 59701



Universal Service Administrative Company

Administrator's Decision on Contributor Appeal

December 30, 2004

BY FACSIMILE AND FEDERAL EXPRESS

Joseph M. Michaud
Manager, Taxation
360networks (USA), Inc.
130 North Main Street
Butte, MT 59701

Re: 360networks (USA), Inc. (499 Filer ID # 821352)

Dear Mr. Michaud:

The Universal Service Administrative Company (USAC) has completed an evaluation of the letter of appeal submitted on behalf of 360networks (USA), Inc. (360networks) dated September 20, 2004 (Appeal). Your Appeal requests that USAC revise billings that were based on 360 Networks' FCC August 2004 Form 499-Q (Form 499-Q).

Summary and Decision

360networks asserts that USAC over-billed 360networks due to USAC's misreading of certain numbers on 360networks' Form 499-Q reporting projected collected fourth quarter 2004 revenue. According to 360networks, the Form 499-Q at issue had been copied and transmitted by fax on multiple occasions before being submitted to USAC thus rendering the numbers supplied on the form illegible and causing the asserted misreading by USAC. This copying and faxing was apparently necessary due to the various locations of individuals involved in preparation of the form for filing.

360networks has included a cleaner copy of the original form which reveals what 360networks asserts is the number originally submitted but misread by USAC. We have compared this to the copy of the form we have on file and are satisfied that this copy is in fact an accurate and authentic copy of the form as originally submitted.

Joseph M. Michaud
Manager, Taxation
360networks (USA), Inc.
December 30, 2004
Page 2

Accordingly, we determine that it is appropriate to revise and correct 360networks' account to reflect billings based upon the newly supplied copy of the originally filed worksheet.

Explanation of Decision and Revisions to Account:

360networks has provided USAC with a legible copy of its original filing enabling USAC to correct the revenue numbers originally used to bill 360networks. Appropriate revisions to 360networks' account will be reflected on its January 2005 invoice.

Decision on Appeal: Granted.

USAC hereby grants 360networks' Appeal.

If you disagree with USAC's response to your Appeal, you may file an appeal with the FCC. Your appeal must be **POSTMARKED** within 60 days of the date of this letter. Failure to meet this requirement will result in automatic dismissal of your appeal. If you are submitting your appeal via the United States Postal Service, you should direct the appeal to:

Federal Communications Commission
Office of the Secretary
445 - 12th Street, SW
Room TW-A325
Washington, DC 20554

Documents sent by Federal Express or any other express mail should use the following address:

Federal Communications Commission
Office of the Secretary
9300 East Hampton Drive
Capitol Heights, MD 20743
(8:00 A.M. - 5:30 P.M. ET)

For hand-delivered or messenger-delivered items, use the following address:

Federal Communications Commission
Office of the Secretary
236 Massachusetts Avenue, NE, Suite 110
Washington, DC 20002
(8:00 A.M. - 7:00 P.M.)

Joseph M. Michaud
Manager, Taxation
360networks (USA), Inc.
December 30, 2004
Page 3

For security purposes, hand-delivered or messenger-delivered documents will not be accepted if they are enclosed in an envelope. Any envelopes must be disposed of before entering the building. Hand deliveries must be held together with rubber bands or fasteners.

Appeals may also be submitted to the FCC electronically, either by the Electronic Comment Filing System (ECFS) or by fax. The FCC recommends filing with the ECFS to ensure timely filing. Instructions for using ECFS can be found on the ECFS page of the FCC web site. Appeals to the FCC filed by fax must be faxed to 202-418-0187. Electronic appeals will be considered filed on a business day if they are received at any time before 12:00 A.M. (midnight), Eastern Standard Time. Fax transmissions will be considered filed on a business day if the complete transmission is received at any time before 12:00 A.M.

Please be sure to refer to CC Docket No. 96-45 on all communication with the FCC. The appeal must also provide your company's name and Filer ID, plus necessary contact information, including the name, address, telephone number, fax number, and e-mail address of the person filing the appeal. Unless the appeal is by ECFS, please include a copy of the decision at issue.

Sincerely,

USAC

Universal Service Administrative Company

cc: Tom Putnam, and Regina Dorsey, FCC Office of Managing Director
Cathy Carpino, FCC Wireline Competition Bureau
Hillary DeNigro and Eric Bash, FCC Enforcement Bureau

360networks (USA), Inc. - Filer Number 821352

Recalculated Late Payment Fees

INVOICE DATE	LATE PAYMENT FEES CHARGED	STATED UNPAID BALANCE	BALANCE ADJUSTMENT	CORRECTED UNPAID BALANCE	CORRECTED LATE PAYMENT FEES	AMOUNT TO BE CREDITED
Jun-04	62.03	7,753.36	-	7,753.36	62.03	-
Jul-04	4,501.70	600,170.90	132,558.57	467,612.33	3,507.09	994.61
Aug-04	4,701.71	648,512.03	265,117.14	383,394.89	2,779.61	1,922.10
Sep-04	5,558.83	673,798.10	397,675.71	276,122.39	2,278.01	3,280.82
Oct-04	4,615.28	699,284.60	397,675.71	301,608.89	2,010.73	2,604.55
Nov-04	2,000.50	725,628.22	397,675.71	327,952.51	728.78	1,271.72
Nov-04	951.06	293,328.22	397,675.71	(104,347.49)	-	951.06
Dec-04	2,307.88	349,679.30	397,675.71	(47,996.41)	-	2,307.88
Jan-05	2,668.16	404,266.66	265,117.14	139,149.52	927.66	1,740.50
Feb-05	1,912.83	271,708.10	132,558.57	139,149.53	989.51	923.32
Feb-05	118.68	217,764.42	132,558.57	85,205.85	189.35	(70.67)
Mar-05	821.60	133,377.03	132,558.57	818.46	5.09	816.51
Mar-05	45.94	117,314.19	132,558.57	(15,244.38)	-	45.94
Apr-05	752.80	110,380.72	132,558.57	(22,177.85)	-	752.80
Totals	<u>31,019.00</u>				<u>13,477.86</u>	<u>17,541.14</u>